WORKERS' COMPENSATION BOARD OF THE NORTHWEST TERRITORIES AND NUNAVUT

1999

ANNUAL REPORT

Annual Report

Mission Statement

To promote accident prevention and provide workers and employers with quality services.

Values

The Workers' Compensation Board of the Northwest Territories and Nunavut is committed to the following values:

- We treat others with fairness and respect.
- We do what we say we'll do.
- We are open and truthful in our dealings with others.
- We work hard to be the best we can be.
- We are responsive to our clients.

WCB Board Members

JoAnne Deneron
Chairperson (Fort Liard)
Appointed October 2, 1997 – Member
Appointed January 1, 1998 – Chairperson

Gordon Wray
Deputy Chairperson and Public Interest Representative (Yellowknife)
Appointed March 3, 1992 – March 31, 2000

Don McNenly
Worker Representative (Yellowknife)
Appointed May 3, 1992 – March 31, 2000

Vivian Stevely
Worker Representative (Hay River)
Appointed February 18, 1993 – March 31, 2000

George Kuksuk
Employer Representative (Arviat)
Appointed March 1, 1996 – March 31, 2000

Jessie Sloan
Employer Representative (Yellowknife)
Appointed February 6, 1997
Resigned July 12, 1999

Metro Solomon
Public Interest Representative (Rankin Inlet)
Appointed January 1, 1999 – December 31, 2000

Tim Butler
Employer Representative (Yellowknife)
Appointed July 12, 1999 – July 11, 2001

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Contents

1999 Basic Statistical and Financial Data 2
Letter of Transmittal 3
From the Chairperson 4
From the President 5
Year in Review 6
Financial Statements 11
Management's Responsibility for Financial Reporting 11
Auditor's Report 12
Balance Sheet 13
Statement of Operations 14
Statement of Reserves 15
Statement of Cash Flows 16
Notes to Financial Statements 17
Schedule of Administration and General Expenses 29
Actuarial Opinion 30
Summary Information 31

1999 Basic Statistical and Financial Data

Population (as at December 15, 1999)	68,981 (41,807 in NWT and 27,174 in NU)
Number employed in NWT & NU (industrial aggregate)	26,716
Average weekly earnings (industrial aggregate)	$762
Number of reported claims	2,911
Number of accepted claims	2,715
Number of time loss claims	879
Number of fatalities	3
Number of employers registered	3,544
Number of classes / sectors	8
Number of rate groups	29
Provisional average assessment rate	$1.21
Actual average assessment rate	$1.15
Maximum annual insurable earnings	$60,000
Total assessable payroll	$1,029,642,000
Assessment revenue earned on 1999 assessable payrolls	$11,819,000
Investment income	$28,920,000
Total assets	**$254,456,000**
Total WCB staff positions	100.5
Administration expenses	$11,130,000
Total benefit costs	$19,744,000
Total liabilities	**$173,061,000**
Catastrophe reserve	$18,000,000
Operating reserve	$54,670,000
Safety reserve	$225,000
Special reserve	$8,500,000
Total reserves	**$81,395,000**
Funded ratio	133%

Some items listed above are not shown according to the standard Association of Workers' Compensation Boards of Canada (AWCBC) definitions. The comparative AWCBC values are shown below:

Current year benefit costs incurred	$13,931,000
Benefit payments for all years paid during 1999	$16,125,000
Benefit costs incurred	$15,870,000
Total benefit liabilities	$156,487,000
Administrative costs	$10,663,000

Financial Data

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Transmittal

May 30, 2000

The Honourable Glenna Hanson
Commissioner of the Northwest Territories

The Honourable Joseph P. Handley
Northwest Territories Minister Responsible
For the Workers' Compensation Board

The Honourable Peter Irniq
Commissioner of Nunavut

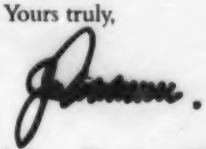
The Honourable Kelvin Ng
Nunavut Minister Responsible
For the Workers' Compensation Board

In accordance with Subsection 61(2) of the NWT and Nunavut Workers' Compensation Acts, it is my pleasure to present the Annual Report of the Workers' Compensation Board for the year ending December 31, 1999, including audited Financial Statements.

Accompanying the financial statements is an actuarial opinion as to the reasonableness of the future pension and future claims liabilities and the adequacy of the contingency reserve.

In addition, I have provided general statistics pertaining to the number and types of claims and their costs, inspections, investments, etc.

Yours truly,



JoAnne Deneron, Chairperson
Workers' Compensation Board
Of the Northwest Territories and Nunavut

Chairperson

In 1999, the Workers' Compensation Board of the NWT and Nunavut continued to demonstrate excellence in the areas of compensation, occupational health and safety, and financial management. For the second year in a row, this WCB was a leader in workers' benefits and employer assessments. This was largely achieved through sound financial planning, effective claims management and an equitable system of employer assessment. By focusing on the internal responsibility system as the cornerstone of its occupational health and safety initiatives, the WCB was well positioned to assist both workers and employers in reducing workplace accidents and claims costs.

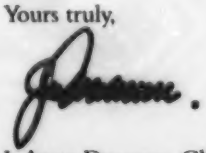
Like many northern companies and organizations, the WCB undertook significant initiatives to meet the challenge of providing quality service during the division of the NWT. An intergovernmental agreement on a shared WCB was signed by the Governments of the NWT and Nunavut, and the regional offices in Iqaluit and Rankin Inlet were expanded in 1999.

As the WCB moves into the next century, the Board of Directors is committed to ensuring that workers and employers receive the quality and level of service they have come to expect from the WCB. This commitment is reflected in an ambitious five year strategy, that focuses on achieving measurable targets in the areas of accident prevention, service delivery and financial management.

The WCB is built on a foundation of caring. As Chairperson of the Board, I have seen first-hand the efforts of the WCB's Board members, President and staff in making our WCB a Canadian leader.

Stakeholders across the North should feel secure in knowing that the workers' compensation system in the North is in safe and capable hands.

Yours truly,



JoAnne Deneron, Chairperson
Workers' Compensation Board

President

For 1999, workers' benefits in the Northwest Territories and Nunavut were the highest in Canada, and assessment rates were the second lowest. This leadership was largely a result of solid investment performance, excellent claims management and partnerships with both workers and employers in making northern workplaces safer.

The WCB's operating reserve increased in 1999 despite assessment revenues falling by 39 percent (due largely to a 35 percent reduction in the average assessment rate) and a market rate of return on its investment portfolio that was lower than in previous years. Overall, the WCB increased its funded position (assets over liabilities plus catastrophe reserve) to 133 percent in 1999, compared to 127 percent in 1998. With an operating reserve of $54.7 million, stakeholders can be assured that the WCB's Accident Fund is well protected.

The WCB administered 2,715 claims in 1999, a reduction of one percent over the previous year. Employers in the North deserve credit for contributing to this decline. Permanent partial disability pensions were awarded to 87 workers, resulting in over nine hundred individuals receiving lifetime monthly pensions at year end.

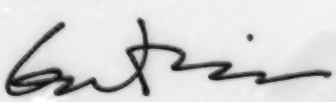
An Alternative Dispute Resolution Protocol was implemented in 1999. This protocol requires that any decision to reduce or deny benefits to an injured worker be reviewed for appropriateness before being communicated to the worker.

In fulfilling its responsibility for occupational health and safety in the North, the WCB conducted 2,306 workplace inspections (up from 682 in 1998) and issued over two thousand orders. Twenty-eight accidents were investigated. The WCB also provided 129 safety education workshops, covering 12 core safety courses. Over 1,292 participants, from all six regions, took part in these courses. Overall, WCB staff visited 79 percent of northern communities to conduct training and inspection activity in 1999.

In 1999, the WCB began development of a comprehensive performance management system. This system will provide management and staff with improved information about the impact of the WCB's activities, as well as information on how well the organization is doing in various key result areas such as stakeholder relations and economic status.

The achievements outlined in this Annual Report reflect the dedicated efforts of WCB staff, of whom I am very proud.

Sincerely,



Gerry Meier, President

Workplace Safety

To promote safe workplaces by:

"...balancing the WCB's mandated responsibilities for education and enforcement..."

The internal responsibility system (IRS) is the cornerstone of occupational health and safety legislation in all Canadian jurisdictions. Essentially, the IRS means that everyone, at every level, has a personal responsibility for ensuring safety in the workplace.

Highlights of 1999 include the publication of three new booklets that complement the WCB's training programs: *Legislation Guidelines – Safety Legislation for Employers and Employees, Guidelines – Developing Effective Health and Safety Programs, and Handbook – Joint Worksite Health and Safety Committee.* The intent of these booklets is to help employers and workers resolve health and safety concerns with minimum recourse to third party intervention. They have all been published in English, French and Inuktitut.

Also significant in 1999 was the development of a 10-point self-audit safety protocol, which will be posted on the WCB web site in 2000.

"...promoting partnership and commitment between the WCB, employers, workers and other public and private agencies concerned with occupational health and safety..."

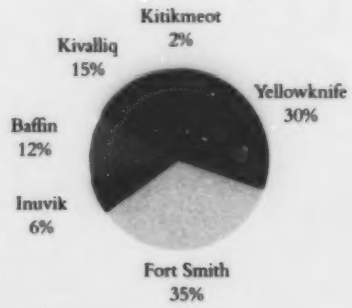
Training and inspection activity was extensive in 1999, as WCB staff visited 79% of all communities in the Northwest Territories and Nunavut.

"... targeting safety measures to industries and sectors with a high incidence of accidents..."

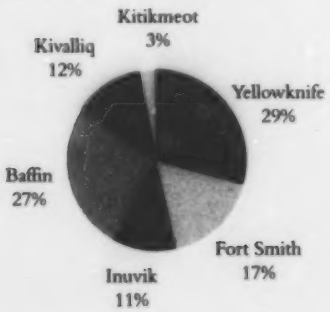
The WCB undertook development of an information database to track inspection and employer activities. This program will be finished in 2000.

The efforts of the private sector in promoting safe workplaces must be recognized. Nanasivik Mine won the John T. Ryan Regional Award for the Prairies/NWT in the Metal Mines

Safety Education Workshops by Region/City



Inspections by Region/City



Category. Polaris Mine emerged the victor at the Western Regional Mine Rescue Competition, and will go on to represent Canada at the International Mine Rescue Competition to be held in the United States in July 2000. BHP also demonstrated excellence through a first place finish in the Territorial Mine Rescue Competition and First Aid Competition.

Achieving Excellence

To demonstrate continued commitment to excellence by:

"...evaluating existing programs and services to ensure that stated objectives are being met..."

In 1999, the WCB undertook a major restructuring initiative, which aimed to streamline the adjudication process to allow for more timely and personal contact with injured workers.

An Alternative Dispute Resolution Protocol was implemented. This protocol requires that any decision to deny or reduce benefits to injured workers be reviewed internally. The decision-maker is then advised if the decision is technically correct, well communicated and well supported by information on file.

"...exploring alternatives to existing programs and services..."

On August 1, 1999, an injured worker case management model was introduced. This model combines the roles of adjudicator and rehabilitation counsellor into one function. These new positions now manage a six step process of assessment, planning, implementation, coordination, monitoring and evaluation designed to return injured workers to employment in a timely and safe manner.

The employer assessment system was reviewed in 1999. In the past few years, the number of employer rating groups was reduced from 43 to 29 to improve stability in the system. Given the size and makeup of industries in the Northwest Territories and Nunavut, however, the number of groups remains high. Potential division of the WCB in 2003 will present additional challenges to maintaining fairness and stability. Options for new rate models were reviewed in 1999, but further review and consultation will take place in 2000.

"...providing ongoing training and development for staff to support continued high performance..."

Comprehensive training in delivering vocational rehabilitation services was provided to Case Managers in support of the new case management model.

"...ensuring that information systems adequately support service delivery, decision making and accountability..."

The process of ensuring Y2K compliance of our systems continued in 1999, with a focus on our external service providers. No significant impact was experienced by the WCB at the end of 1999.

Systems were upgraded to allow for tracking of employer payrolls by territory.

The design phase of the new Workplace Inspection Information System was completed, with construction and implementation to occur in 2000.

"...communicating program initiatives and decisions to employers, workers, the medical profession, the public and staff..."

WCB staff travelled to five communities to conduct medical examinations and provide education and information to stakeholders on the WCB's programs and services.

Staff also attended trade shows and conducted on-site meetings with employers in several communities, including Hay River and Iqaluit.

Governance

To work towards a structure which:

"...confirms the respective roles, responsibilities and relationships within the WCB, and those to whom the WCB is responsible..."

During 1999, the WCB's Board of Directors participated in strategic planning and governance workshops, and attended the Association of Workers' Compensation Boards of Canada (AWCBC) Congress and College. These sessions provided interaction with peers and the opportunity discuss governance issues with other jurisdictions.

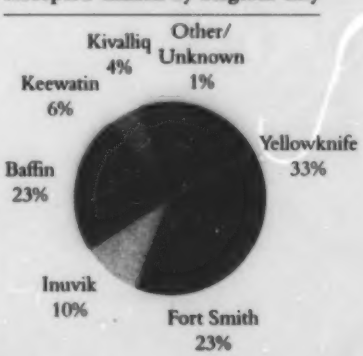
"... supports Board members and staff while they carry out their responsibilities..."

An ad hoc committee comprising two Board members and the Corporate Secretary was struck in 1999. This committee developed an orientation process for new Board Members and reviewed the Board of Directors' Orientation Manual.

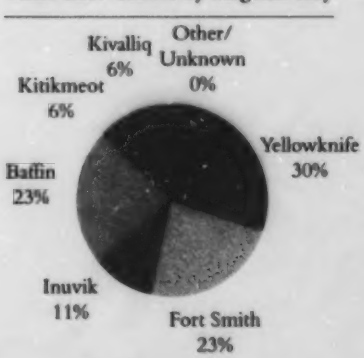
In February, there was a joint NWT/Yukon Board of Directors' meeting in Whitehorse. This allowed for discussion on how each Board dealt with various issues.

Some members of the Board's Finance Committee participated in meetings with investment managers in Vancouver and Toronto in the spring.

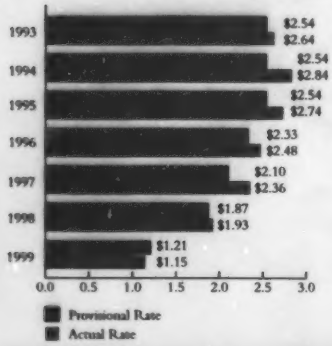
Accepted Claims by Region/City



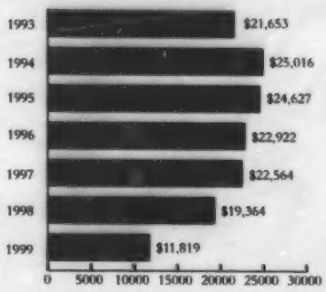
Time Loss Claims by Region/City



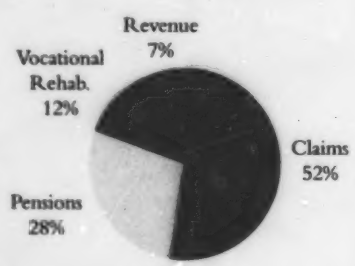
Average Assessment Rate per $100 of Insurable Earnings



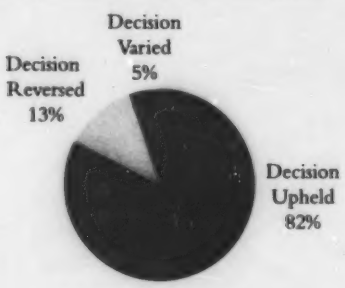
Assessment Revenue ($000)



1999 Review Committee Issues



1999 Review Committee Decisions



Managing the Impact of Division

"...to quickly and efficiently implement the new organizational model without interruption in service to WCB stakeholders..."

The *Nunavut Act* (Federal Bill C-132) came into force April 1, 1999, creating two territories from the existing Northwest Territories. Section 29 of the Act duplicated all NWT legislation, thereby automatically creating a new Nunavut WCB.

The NWT WCB was prepared to support whatever decision was made at the political level with respect to its structure following the creation of Nunavut. Uninterrupted service to all WCB stakeholders throughout the process was the WCB's primary concern.

The Governments of the NWT and Nunavut decided to share one Workers' Compensation Board until December 31, 2002, with the possibility of extending the shared arrangement. The Workers' Compensation Board for the Northwest Territories and Nunavut was therefore created effective April 1, 1999.

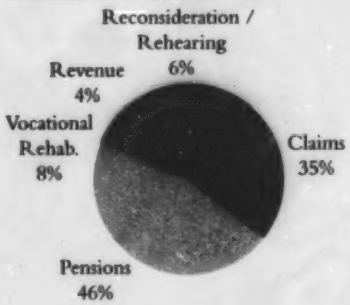
Appeals Tribunal

The five member Appeals Tribunal is appointed by the NWT Minister Responsible for the Workers' Compensation Board, in consultation with the Nunavut Minister Responsible for the WCB. It is the final level of appeal, as outlined in Section 7.1 of both *Workers' Compensation Acts.*

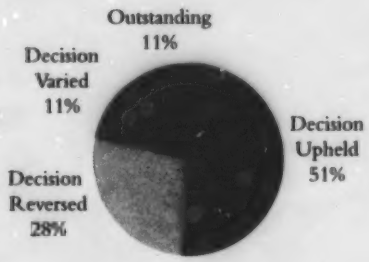
Between January 1 and December 31, 1999, the Appeals Tribunal received 36 appeals covering 45 issues, plus three requests for reconsideration/rehearing. Making up 36 appeals were 17 claims issues, 22 pension issues, 4 rehabilitation issues and 2 revenue issues.

During this same period, the Appeals Tribunal heard 47 appeals. The outcome of these 47 appeals was as follows: 24 decisions were upheld, 13 were reversed, 5 were varied and 5 decisions remained outstanding at year end.

1999 Appeals Tribunal Issues



1999 Appeals Tribunal Decisions



Workers' Advisor

The Workers' Advisor's office, located in Yellowknife, was established to provide advice and assistance to injured workers or their dependents in dealings with the WCB.

Although funded by the WCB, Workers' Advisor services are provided by an independent contractor to ensure an arms-length relationship with the WCB.

March 24, 2000

Management's Responsibility for Financial Reporting

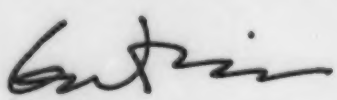
Management of the Workers' Compensation Board is responsible for the preparation, integrity and objectivity of the financial statements and related information presented in this Annual Report. The financial statements have been prepared in accordance with generally accepted accounting principles, and have been approved by the Board of Directors. Where appropriate, the preparation of financial information contained in this report includes estimates and judgements based on careful consideration of information available to management.

Management has developed and maintains books of accounts, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of financial information in accordance with the Northwest Territories and Nunavut *Workers' Compensation Acts* and regulations, the Northwest Territories and Nunavut *Financial Administration Acts* and regulations, and policies of the Board. The Board of Directors ensures that management fulfills its responsibilities for financial reporting, internal control and safeguarding assets.

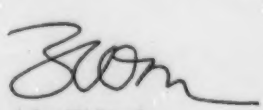
The Board of Directors appoints certain of its members to serve on the Finance Committee. This Committee oversees management's responsibilities for financial reporting, and reviews and recommends the financial statements to the Board for approval.

The Auditor General of Canada annually provides an independent, objective audit of the English and French versions of the financial statements for the purpose of expressing his opinion on these financial statements. He also considers whether the transactions that come to his notice in the course of this audit are, in all significant respects, in accordance with the specified legislation.

Hewitt Associates, an independent firm of consulting actuaries, has been engaged to provide an opinion on the adequacy and appropriateness of actuarial valuation of future claims and pension liabilities of the Workers' Compensation Board.



Gerry Meier
President



John W. Doyle
Director, Financial Services

AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

Auditor's Report

AUDITOR'S REPORT

To the Ministers of the Workers' Compensation Board
of Northwest Territories and Nunavut

I have audited the balance sheet of the Workers' Compensation Board of Northwest Territories and Nunavut as at December 31, 1999 and the statements of operations, reserves and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 1999 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles. As required by the Northwest Territories and Nunavut *Financial Administration Acts*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Board, and the financial statements are in agreement therewith and the transactions of the Board that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part IX of the Northwest Territories and Nunavut *Financial Administration Acts* and regulations and the Northwest Territories and Nunavut *Workers' Compensation Acts* and regulations.

Sheila Fraser

Sheila Fraser, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
March 24, 2000

Workers' Compensation Board - Northwest Territories and Nunavut

Balance Sheet

as at December 31, 1999
(thousands of dollars)

ASSETS	1999	1998
Cash and short-term investments (note 3a)	$ 3,769	$ 1,306
Assessments receivable	1,367	1,586
Accrued interest receivable	3,837	3,592
Other accounts receivable	1,503	1,470
Investments (note 3)	238,986	228,899
Property and equipment (note 4)	4,994	5,084
	$ 254,456	$ 241,937
LIABILITIES		
Accounts payable and accrued liabilities	$ 1,791	$ 1,510
Deferred revenue (note 11c)	-	115
Lease obligations payable (note 5a)	3,057	3,240
Assessments refundable	1,731	1,588
Benefits liability (note 6)	166,482	166,218
	$ 173,061	$ 172,671
RESERVES		
Catastrophe reserve	$ 18,000	$ 18,000
Safety reserve	225	225
Operating reserve	54,670	44,541
Special Reserve	8,500	6,500
	81,395	69,266
	$ 254,456	$ 241,937

CONTINGENCIES (Note 9)

Approved by Management:

President

Director, Financial Services

Approved by the Board of Directors:

Chairperson, Board of Directors

The accompanying notes form an integral part of the financial statements.

Workers' Compensation Board - Northwest Territories and Nunavut

Statement of Operations

for the year ended December 31, 1999
(thousands of dollars)

	1999	1998
REVENUES		
Investment revenue (note 3c)	$ 28,920	$ 27,553
Assessments	12,392	20,165
Recoveries (note 11b)	1,422	1,175
Other revenue	154	-
GNWT contribution (note 11c)	115	607
	$ 43,003	$ 49,500
EXPENSES		
Cost of claims (note 6)		
Current year's claims	$ 18,494	$ 17,172
Prior years' claims	1,250	4,805
Total Claims	$ 19,744	$ 21,977
Administration and general (schedule)	11,130	8,909
	$ 30,874	$ 30,886
INCOME FROM OPERATIONS	$ 12,129	$ 18,614
TRANSFERS		
Transfer to catastrophe reserve	$ -	$ 8,200
Transfer to safety reserve	-	258
Transfer to operating reserve	10,129	8,156
Transfer to special reserve	2,000	2,000
	$ 12,129	$ 18,614

The accompanying notes form an integral part of the financial statements.

Workers' Compensation Board - Northwest Territories and Nunavut

Statement of Reserves

for the year ended December 31, 1999
(thousands of dollars)

Catastrophe Reserve	**1999**	**1998**
Balance at the beginning of the year	$ 18,000	$ 9,800
Transfer from operations	-	8,200
Balance at the end of the year (note 8)	$ 18,000	$ 18,000
Operating Reserve		
Balance at the beginning of the year	$ 44,541	$ 35,710
Transfer from operations	10,129	8,156
Transfer from Safety Reserve	-	675
Balance at the end of the year (note 8)	$ 54,670	$ 44,541
Safety Reserve		
Balance at beginning of the year	$ 225	$ 642
Transfer from operations	-	258
Transfer to Operating Reserve	-	(675)
Balance at the end of the year	$ 225	$ 225
Special Reserve		
Balance at beginning of year	$ 6,500	$ 4,500
Transfer from operations	2,000	2,000
Balance at the end of the year	$ 8,500	$ 6,500

The accompanying notes form an integral part of the financial statements.

Workers' Compensation Board - Northwest Territories and Nunavut

Statement of Cash Flows

for the year ended December 31, 1999
(thousands of dollars)

	1999	1998
Cash Flow from Operating Activities		
Cash received from:		
Employers, for assessments	$ 14,065	$ 21,500
Investment revenue - short term	79	125
	14,144	21,625
Cash paid to:		
Claimants or third parties on their behalf	15,901	14,131
Suppliers, for administration and other goods and services	13,786	11,156
	29,687	25,287
Net cash provided by operating activities	(15,543)	(3,662)
Cash Flow from Investing Activities		
Transfers to investment managers	(947)	(16,268)
Transfers from investment managers	19,500	18,741
Purchases of capital assets	(547)	(470)
Net cash provided (used) by investing activities	18,006	2,003
Net increase (decrease) in cash and cash equivalents	2,463	(1,659)
Cash and short term investments, beginning of year	1,306	2,965
Cash and short term investments, end of year	$ 3,769	$ 1,306

The accompanying notes form an integral part of the financial statements.

Workers' Compensation Board - Northwest Territories and Nunavut

Notes to Financial Statements

for the year ended December 31, 1999

1. Authority, Mandate and Operations

The Workers' Compensation Board (the Board) was established by, and is responsible for the administration of, the *Workers' Compensation Act*. Effective April 16, 1996, the Board assumed responsibility for safety enforcement under the *Mine Health and Safety Act*, the *Safety Act* and the *Explosives Use Act*. Effective April 1, 1999, the Board also assumed responsibility for the administration and enforcement of the *Workers' Compensation Act*, the *Mine Health and Safety Act*, the *Safety Act* and the *Explosives Use Act* of the Government of Nunavut.

The mandate of the Board is to provide compensation for injury or death by accident arising out of, and in the course of, employment. Assessments required to meet the costs of compensation, pension awards and administration are levied upon employers on the basis of a percentage of their assessable payroll. In addition, the mandate of the Board includes accident prevention. The Prevention Services Division is responsible for developing safety awareness and for monitoring safety in the workplace.

The *Nunavut Act* created the Nunavut Territory effective April 1, 1999, resulting in the division of the Northwest Territories. The Government of the Northwest Territories and the Interim Commissioner for Nunavut have signed an Inter-Governmental Agreement for a Shared Workers' Compensation Board to allow the Workers' Compensation Board to remain as a single entity serving both territories until December 31, 2002.

2. Accounting Policies

The significant accounting policies are as follows:

(a) Investments

Equity investments are valued using a moving average market value method, based on a five year amortization of gains and losses that arise on the sale of investments, or that arise as a result of changes in the market value of those investments.

Fixed term investments are recorded at cost at the time of purchase. The realized gain or loss on the sale of an investment is amortized over the remaining period to maturity of the investment, based on the average period for these securities disposed of during the year. For pooled funds, the amortization period is five years.

Investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Income is translated at the rate in effect at the time of receipt.

Exchange gains and losses resulting from the translation of foreign currency balances and transactions are amortized into investment income over a five year period.

The Board's international investment manager uses derivative financial instruments to manage operating exposure to foreign exchange fluctuations. These contracts are carried on a market value basis. Premiums paid or received on these instruments are treated as revenue at the time of purchase. Net receipts or payments are recognized in income on an accrual basis in the same period and the same financial statement category to which the contract is related.

Workers' Compensation Board - Northwest Territories and Nunavut

Notes to Financial Statements

for the year ended December 31, 1999

(b) Property and equipment

Property and equipment are recorded at cost and amortized over their estimated useful life under the straight-line method as follows:

• Furnishings	10 years
• Equipment	5 years
• Leasehold improvements and office space (leased)	Over the term of the lease

Assets recorded as capital leases are amortized on the straight-line method over the lease term. Obligations recorded under capital leases are reduced by rental payments net of imputed interest.

(c) Administration and general expenses

A portion of administration and general expenses is allocated as claims management costs between current years' claims and prior years' claims based on the proportion of claims expenditures processed. The costs allocated are the direct costs related to the managing of claims, pensions and rehabilitation services.

(d) Benefits Liability

The Benefits Liability is estimated annually using an actuarial valuation, and comprises:

i. the future pension liability, which represents the present value of future payments in respect of approved pension awards;

ii. the future claims liability, which represents the present value of future payments in respect of medical aid benefits, compensation payments and the capitalized value of future pension awards for all claims arising from accidents occurring prior to the end of the fiscal year; and

iii. provision for claims management expenses, at 12% of the future claims liability, 3.6% of the future pension liability, and 21% for the Hunters and Trappers benefits liability.

Many assumptions are required in the calculation of the liability, including estimates of future inflation, interest rates and mortality rates. The amount of liability is determined on a basis which allows for future inflationary increases by using a discount rate of 3% per annum. Actual claims expenses are not predictable with certainty and, accordingly, may vary from the actuarial valuation of the liability.

(e) Funding Policy

The funding policy of the Board is to maintain both the future pension liability and the future claims liability at a fully funded level at each year end.

Workers' Compensation Board - Northwest Territories and Nunavut

Notes to Financial Statements

for the year ended December 31, 1999

(f) Catastrophe and operating reserves

The catastrophe and operating reserves are maintained to provide a margin of protection against adverse financial experience which could unduly burden future employers. The catastrophe reserve was created by the Board of Directors, whereas the operating reserve was created by the *Workers' Compensation Act*. Such adverse experience could arise in respect of the following risks:

i. disasters and catastrophes
ii. lower than expected investment results
iii. other unanticipated events such as lower than anticipated assessment revenues or higher than anticipated claims costs.

Assessment rates are adjusted to bring the reserve to its target level over a period of between two years and ten years depending on the margin by which the operating reserve is above or below the target range.

(g) Safety reserve

The Board is retaining $225,000 of assessments raised by the SIRR Program (in effect from January 1, 1996 - December 31, 1998) in the safety reserve. These funds will be used in 2000 and future years to deliver safety programs.

(h) Special reserve

In addition to the Catastrophe and Operating reserves, the Board created a special reserve of $8,500,000 for the one time impact of events such as division of the Territories, and legislative amendments or court challenges related to pensions for widows whose benefits have been terminated by re-marriage according to the *Workers' Compensation Act*.

(i) Employee benefits

The Board and its employees, who are deemed to be employees of the Government of the Northwest Territories, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. Contributions to the Plan are required from both the employees and the Board. These contributions represent the total pension obligation of the Board and are recognized in the accounts on a current basis.

Under the conditions of employment, employees earn employment benefits for annual leave, retirement and severance pay. The costs are accrued as the benefits are earned. Accrued termination benefits are paid upon resignation or retirement of employees.

(j) Assessment revenues

Current year revenues are estimated at February 28 of the following year, based on actual payrolls submitted by employers. Adjustments to assessment revenues are accounted for in the year received. An allowance is included in assessments refundable for potential adjustments of current and prior years' payrolls.

Workers' Compensation Board - Northwest Territories and Nunavut

Notes to Financial Statements

for the year ended December 31, 1999

3. **(a) Cash and Investments**

The Board invests in the short term money market. The overall yield of this portfolio is 5.0% at December 31, 1999 (1998 - 5.6%). All instruments held in short term investments are in high quality debt obligations issued or guaranteed by Canadian, Provincial or Territorial governments; Canadian chartered banks; or loan or trust companies registered in Canada.

The Board's investment policy limits investment in cash and short term investments to a maximum of 10% of the total investment portfolio. Included is C$88,725 (1998 - $244,093) in foreign currencies. Fair value approximates carrying value due to their short term nature.

The Board's investment target and actual asset mix at December 31 is as follows:

	(Fair Value)		Actual	
	Maximum	Minimum	1999	1998
Fixed term (including cash & short term)	65%	55%	54.1%	58.1%
Canadian equities	25%	15%	21.8%	19.6%
U.S. equities	12%	8%	10.2%	11.0%
Non Canadian and U.S. equities	12%	8%	11.7%	11.0%
Cash and short term (includes investments maturing in one year)	10%	0%	2.2%	2.2%

(b) Investments

	1999		1998	
	(thousands of dollars)			
	Carrying Value	Fair Value	Carrying Value	Fair Value
Fixed term investments				
Pooled funds	$ 96,899	$ 94,466	$ 91,901	$ 98,640
Other	51,682	53,547	48,545	55,092
	148,581	148,013	140,446	153,732
Equity investments	87,154	119,650	83,517	114,204
Investments maturing within one year	3,251	3,251	4,936	4,936
TOTAL	$238,986	$270,914	$228,899	$272,872

Included in the carrying values are unamortized gains of $37,589,968 for 1999 (1998 - $39,985,259).

Fair values for equity investments and marketable fixed term investments are the closing value on the appropriate exchange at December 31.

Workers' Compensation Board - Northwest Territories and Nunavut

Notes to Financial Statements

for the year ended December 31, 1999

The maturity periods of the other fixed investment portfolio as at December 31, 1999 are as follows:

	Fair Value (thousands of dollars)
One to five years	26,388
Five to ten years	11,914
Over ten years	15,245
	53,547

(c) Investment Revenue

	1999		1998	
	(thousands of dollars)			
	Interest/ Dividends Revenue	Gains/ (Losses)	Interest/ Dividends Revenue	Gains/ (Losses)
Fixed term investments	$9,608	$2,826	$10,668	$3,019
Equity investments	1,859	15,253	2,230	11,985
Investments maturing within one year	223	-	436	-
TOTAL	$11,690	$18,079	$13,334	$15,004

Total investment revenue	$29,769	$28,338
Less: Investment fees	(928)	(910)
Add: Interest on cash and short term investments	79	125
Total investment revenue	$28,920	$27,553

Investments are managed by the Board's external investment managers. The market yield of the portfolio (as provided by our performance measurement service) is as follows:

	1999	1998
Fixed term investments	-1.3%	9.1%
Foreign equities	12.4%	25.9%
Canadian equities	23.9%	4.0%

Workers' Compensation Board - Northwest Territories and Nunavut

Notes to Financial Statements

for the year ended December 31, 1999

(d) Foreign Currency Balances

The Board has assets in U.S. dollars and other currencies. In addition, the Board has derivative financial instruments (DFI) denominated in various currencies. The purpose of these derivative financial instruments is to optimize yields for the Board, while sustaining acceptable levels of risk.

The only derivative financial instruments used are forward foreign exchange contracts, which all mature within 90 days of the year end. The total unrealized losses at December 31, 1999 are $30,696 (1998 - $104,440), which are included in gains and losses of the corresponding investments in accordance with the investment policy (note 2(a)).

Workers' Compensation Board - Northwest Territories and Nunavut

Notes to Financial Statements

for the year ended December 31, 1999

The following chart shows where the Board has exposure to foreign currency risk:

	(thousands of dollars)			
CURRENCY	Total Investments in $Cdn (fair value)	DFI	1999 Net Exposure	1998 Net Exposure
United States dollar	$ 28,348	$ -	$ 28,348	$ 31,165
Australian dollar	1,199	-	1,199	1,333
Danish krone	198	-	198	199
French franc	-	-	-	2,489
Deutsche mark	-	-	-	2,647
Hong Kong dollar	662	-	662	-
Italian lira	-	-	-	825
Japanese yen	7,739	(1,858)	5,881	1,886
Malaysian ringgit	-	-	-	32
Mexican peso	-	-	-	48
Netherlands guilder	-	-	-	2,930
New Zealand dollar	56	-	56	-
Phillipine peso	-	-	-	59
Portuguese escudo	-	-	-	88
Pound sterling	7,434	-	7,434	8,715
Singapore dollar	762	-	762	653
Spanish peseta	-	-	-	558
Swiss franc	2,886	-	2,886	3,289
Swedish krona	153	-	153	-
Thailand baht	-	-	-	133
Euro currency	10,638	-	10,638	-
Totals	$ 60,075	$ (1,858)	$ 58,217	$ 57,049

Workers' Compensation Board - Northwest Territories and Nunavut

Notes to Financial Statements

for the year ended December 31, 1999

4. Property and Equipment

	1999		1998	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
	(thousands of dollars)			
Furnishings	$1,372	$814	$1,754	$1,405
Equipment - Purchased	514	-	466	-
Leasehold improvements	2,540	791	2,508	624
Office space - Leased	4,242	2,069	4,242	1,857
	$8,668	$3,674	$8,970	$3,886
Less accumulated amortization	(3,674)		(3,886)	
Net Book Value	$4,994		$5,084	

5. Leases

(a) Capital Lease Obligation

The Board is committed to payments of $435,765 per annum under an office space lease agreement, which is based on an implicit interest rate of 8% and expires in 2010. The Board is also responsible for a proportional share of operating and maintenance expenses based on its share of space occupied. Fair value approximates carrying value of the liability.

	(thousands of dollars)
Nominal Value of Payments	$4,503
Less: Imputed interest at 8%	(1,446)
Lease Obligation	$3,057

(b) Operating Lease

The office space lease agreement was amended in 1996 to add office space in the same building. The costs for the additional space are treated as an operating lease in the financial statements as the lease is for a five year term with no guaranteed renewal payments. The Board is committed to payments of $152,588 per annum until August 13, 2001. The Board is also responsible for a proportional share of operating and maintenance expenses based on its share of space occupied.

The Board acquired office space in Rankin Inlet and Iqaluit in 1998.

The office space lease agreement for Rankin Inlet is treated as an operating lease, as the lease is for a five year term with an option for renewal at prevailing market rent for an additional five-year term. The Board is committed to payments of $87,996 per annum until June 30, 2003.

The office space lease agreement for Iqaluit is treated as an operating lease, as the lease is for a five year term with an option for renewal at prevailing market rent for an additional five year term. The Board is committed to payments of $81,183 per annum until July 31, 2003.

Workers' Compensation Board - Northwest Territories and Nunavut

Notes to Financial Statements

for the year ended December 31, 1999

6. Benefits Liability

	1999					1998
	(thousands of dollars)					
	Medical Aid	Compensation	Pension Capitalization	Pension Awards	Total	Total
Balance, Beginning of Year	$16,325	$14,693	$22,862	$112,338	$166,218	$162,025
Claims Expenses						
Current year	5,031	7,052	6,368	43	18,494	17,172
Prior years	743	(559)	(1,254)	2,320	1,250	4,805
Liability transfer - capitalizations	-	-	(4,116)	4,116	-	-
Recoveries from third parties	-	223	-	-	223	23
	$22,099	$21,409	$23,860	$118,817	$186,185	$184,025
Less: Claims payments made						
Current year injuries						
Claims payments	843	1,159	-	4	2,006	1,609
Claims management	1,090	1,498	-	5	2,593	2,393
Prior years' injuries						
Claims payments	2,687	2,998	-	8,433	14,118	12,904
Claims management	322	360	-	304	986	901
	$ 4,942	$ 6,015	$ -	$ 8,746	$ 19,703	$ 17,807
Balance, End of Year	$17,157	$15,394	$23,860	$110,071	$166,482	$166,218

Workers' Compensation Board - Northwest Territories and Nunavut

Notes to Financial Statements

for the year ended December 31, 1999

7. Actuarial Valuation

The benefits liability is reviewed annually by an independent actuary. The opinion on the adequacy and appropriateness of the actuary's valuation of the future claims and pension liabilities as at December 31, 1999, is attached to these financial statements.

8. Catastrophe and Operating Reserve

The Board is fully funded at the end of 1999 to meet its obligations for the future pension and future claims liabilities.

The target level for the catastrophe reserve, set by the Board, provides for the average cost of a disaster. The target level of the reserve at the end of 1999 is $18,000,000 (1998 - $18,000,000).

The target level for the operating reserve is based on a number of factors relating to the financial risks which could impact on the financial position of the Board. A range of 75% to 125% of the target level has been set as a target range. The target level at the end of 1999 is $4,616,153, and the target range is $3,462,114 to $5,770,191.

The funding policy of the Board provides for discounts on assessment rates when the operating reserve exceeds its target range. In 1999, a discount of 35% (1998 - 5%) was applied to assessment rates.

9. Contingencies

(a) Widows' Pensions

Under current legislation, widows' pension payments terminate after remarriage. An allowance of $3,534,000 for continuation of pensions to widows currently receiving pensions, who remarry, is included in the Benefits Liability. An opinion from the Board's legal counsel and recent litigation in several provinces suggests that the actual liability could be higher. The amount of any additional liability cannot be determined at this time, as it is currently being reviewed by the legislature.

(b) Legal Claims

The Board has a number of legal claims outstanding for recovery of compensation expenses from third parties. These claims are not recorded in the accounts because of their contingent nature. In the opinion of management and the Board's legal representatives, it is expected that the Board could recover approximately $465,887 (1998 - $682,000). Settlements of legal claims are recognized in the years in which the settlements occur. Legal claims settled during 1999 resulted in recoveries of $223,335 (1998 - $22,895).

The Board has commenced an action against third parties as a result of the deaths of nine miners in an explosion on a worksite. At this time, potential recoveries cannot be determined.

Workers' Compensation Board - Northwest Territories and Nunavut

Notes to Financial Statements

for the year ended December 31, 1999

10. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to customers, suppliers or other third parties, have been fully resolved.

11. Related Party Transactions

(a) The following table summarizes the Board's assessment revenue from related party transactions entered in normal course of operations in 1999.

	1999	1998
	(thousands of dollars)	
Government of the Northwest Territories	$ 819	$ 1,613
Public Agencies	$ 187	$ 260
Government of Nunavut	$ 270	$ -

(b) The Government of the Northwest Territories provided a reimbursement to the Board for harvesters' claims of $1,003,998 (1998 - $1,175,252). The Government of Nunavut provided a reimbursement to the Board for harvesters' claims of $418,295 (1998 - $0).

(c) On April 16, 1996, the Government of the Northwest Territories transferred responsibility for the administration and enforcement of the *Safety Act*, *Explosives Use Act*, and *Mine Health and Safety Act* from the Government of the Northwest Territories to the Board.

Under the terms of the Intergovernmental Agreement for a Shared Workers' Compensation Board, the Workers' Compensation Board administers and enforces the above Acts for the Government of the Northwest Territories and Government of Nunuvut effective April 1, 1999. The Agreement covers the period to December 31, 2002, unless extended under the terms of the Agreement.

The Government of the Northwest Territories will be compensating the Board for part of the cost of the transfer from April 16, 1996, to March 31, 1999, as shown below. Additional and future costs will be covered from employer assessments. The estimated annual costs of administering these programs is $2,100,000.

April 16, 1996 - March 31, 1997 - 75% of the agreed cost

April 1, 1997 - March 31, 1998 - 50% of the agreed cost

April 1, 1998 - March 31, 1999 - 25% of the agreed cost

Workers' Compensation Board - Northwest Territories and Nunavut

Notes to Financial Statements

for the year ended December 31, 1999

Amounts received as contributions are as follows:

	1999	1998
	(thousands of dollars)	
Revenue	$115	$607
Deferred revenue	-	115
Total contribution	$115	$722

(d) The Board's investments include bonds (at market value) of:

	1999	1998
	(thousands of dollars)	
Northwest Territories Power Corporation		
11.00% maturing March 9, 2009	$ 618	$ 663
11.125% maturing June 6, 2011	$1,269	$1,382
9.375% maturing May 12, 2014	$1,151	$1,252
Northwest Territories Legislative Assembly Building Society		
13.00% Series A, maturing August 31, 2013	$ 528	$ 609

(e) In addition to those related party transactions disclosed elsewhere in these financial statements, the Board is related to all Government of the Northwest Territories and Government of Nunavut created departments, agencies and Crown corporations.

The Board enters into transactions with these entities in the normal course of business.

Workers' Compensation Board - Northwest Territories and Nunavut

Schedule of Administration and General Expenses

for the year ended December 31, 1999

	1999	1998
	(thousands of dollars)	
Salaries, wages and allowances	$ 7,014	$ 5,912
Professional services	2,184	1,975
Office lease and renovations	1,075	939
Travel	1,122	817
Employer's share of benefits	840	760
Amortization office space/leasehold	380	379
Board Members	378	344
Communications	381	248
Amortization furnishings and equipment	257	236
Office services and supplies	352	233
Office furnishings and equipment (non-capital)	209	138
Advertising and public information	171	129
Grants	288	63
Miscellaneous	49	27
Computer lease and services	8	3
	14,708	12,203
Less:		
Allocations to claims management	3,578	3,294
	$11,130	**$ 8,909**

Hewitt

Workers' Compensation Board – Northwest Territories and Nunavut
Actuarial Opinion as at December 31, 1999

Hewitt Associates has been appointed by the Workers' Compensation Board of the Northwest Territories and Nunavut (the Board) to value the liabilities for future claim payments (Benefits Liability) in accordance with the **Workers' Compensation Act, N.W.T. 1988**.

The valuation is intended for use in preparing the Board's balance sheet at December 31, 1999 and is relied on by the Auditor General for the purposes of conducting the audit of the Board's financial position. Methods and assumptions employed in the valuation, which are the same as those used in the prior valuation, are set forth in the Board's *Statement of Funding Policy, Methods and Assumptions – 1999*. The results of the valuation are described fully in our report dated March 27, 2000.

In our opinion:

1. The Benefits Liability at December 31, 1999 of $166,482,000 makes adequate provision for expected obligations in respect of claims arising prior to January 1, 2000, including future Supplementary Pension Increases and claims management expenses related to those claims;

2. The data on which the valuation is based is sufficient and reliable for the purpose of the valuation;

3. The assumptions used are appropriate for the purposes of the valuation; however, emerging experience differing from the assumptions will result in gains or losses which will be revealed in future valuations;

4. The methods employed in the valuation are consistent with sound actuarial principles.

This opinion and our report on the valuation of the Benefits Liability at December 31, 1999 have been prepared in accordance with accepted actuarial practice.

Respectfully submitted for
HEWITT ASSOCIATES

J. Allan Brown
Fellow of the Canadian Institute of Actuaries

March 27, 2000

Tables

Table 1: 1999 Time Loss Claims by Industry Class 34

Table 2: 1999 Industrial Safety Activity Report 39

Table 3: 1999 Mining and Industrial Inspections by Region/City 40

Table 4: 1999 Mining Incident/Accident Investigations 40

Table 5: Safety Education Workshops by Region/City 40

Table 6: Safety Education Workshops: Number of Courses Taught and Number of Participants 41

Figures

Figure 1: 1995-1999 Accepted and Time Loss Claims 32

Figure 2: 1999 All Accepted Claims by Month 33

Figure 3: 1999 All Time Loss Claims by Month 33

Figure 4: 1999 Time Loss Claims by Part of Body Injured 36

Figure 5: Distribution of Workers and Occupational Injuries by Sector of Economic Activity, 1999 36

Figure 6: 1999 All Accepted Claims by Sex and Age 37

Figure 7: All Time Loss Claims by Sex and Age 37

Figure 8: 1999 Funded Position 38

Figure 9: 1999 Funding the System 38

Figure 10: 1999 Investment Portfolio (annualized market rate of return) 38

Figure 11: Portfolio Allocation by Asset Type 39

Figure 12: 1997-99 Comparison of Assessments and Claim Expenses by Industry Class 39

Figure 13: Pension Capitalizations 41

Figure 14: Average Impairment Award 42

Summary

Summary Information, 1995-1999

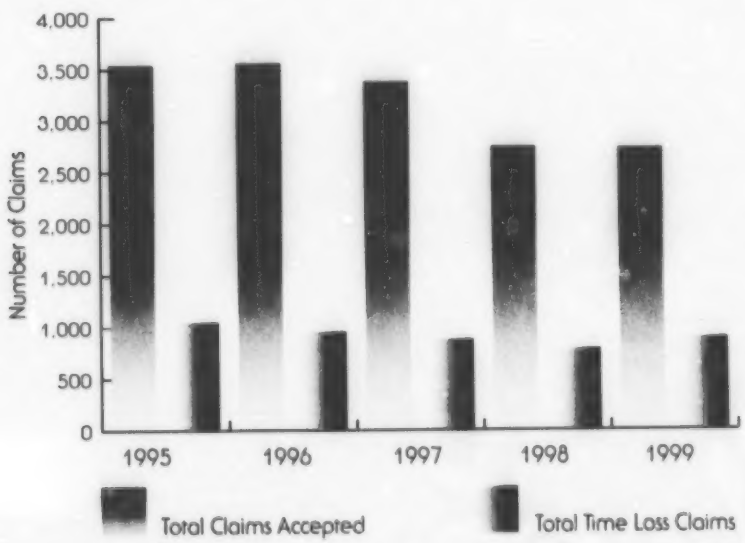
	1995	1996	1997	1998	1999
Total active businesses	5197	5063	5625	5644	**5477**
Employers	3189	2892	3171	3461	**3544**
Self employed	2008	2171	2454	2183	**1933**
Claims reported	3879	3866	3626	2939	**2911**
Assessment revenue ($000)	$24,627	$22,922	$22,564	$19,363	**$11,819**
Average assessment rate *:					
Provisional average assessment rate	$2.54	$2.33	$2.10	$1.87	**$1.21**
Actual average assessment rate	$2.74	$2.48	$2.36	$1.93	**$1.15**
Supplementary Pension Increase (SPI) **	1.03%	1.10%	1.82%	5.00%***	**1.19%**
Yearly Maximum Insurable Remuneration (YMIR)	$47,500	$49,000	$49,000	$52,000	**$60,000**

* per $100 of assessable payroll

** The supplementary pension increases listed in the table for each year came into effect on January 1 of the following year.

*** The minimum SPI for all pensions was 5.00%. Recipients who have pensions for injuries that occurred before July 1, 1996 received an additional 4.70% increase, for a total of SPI of 9.70%.

Figure 1: 1995-1999 Accepted and Time Loss Claims



Summary

Summary Information, 1995-1999

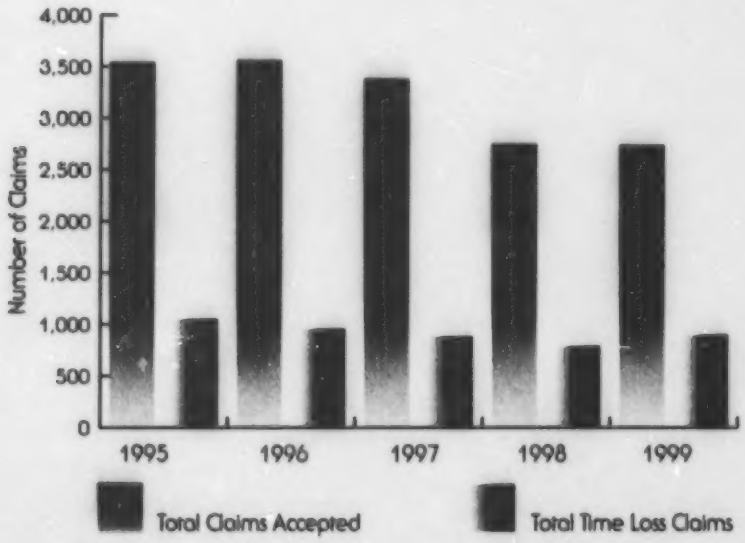
	1995	1996	1997	1998	1999
Total active businesses	5197	5063	5625	5644	
Employers	3189	2892	3171	3461	
Self employed	2008	2171	2454	2183	
Claims reported	3879	3866	3626	2939	
Assessment revenue ($000)	$24,627	$22,922	$22,564	$19,363	
Average assessment rate *:					
Provisional average assessment rate	$2.54	$2.33	$2.10	$1.87	
Actual average assessment rate	$2.74	$2.48	$2.36	$1.93	
Supplementary Pension Increase (SPI) **	1.03%	1.10%	1.82%	5.00%***	
Yearly Maximum Insurable Remuneration (YMIR)	$47,500	$49,000	$49,000	$52,000	

* per $100 of assessable payroll

** The supplementary pension increases listed in the table for each year came into effect on January 1 of the following year.

*** The minimum SPI for all pensions was 5.00%. Recipients who have pensions for injuries that occurred before July 1, 1996 received an additional 4.70% increase, for a total of SPI of 9.70%.

Figure 1: 1995-1999 Accepted and Time Loss Claims



Summary

Figure 2: 1999 All Accepted Claims by Month

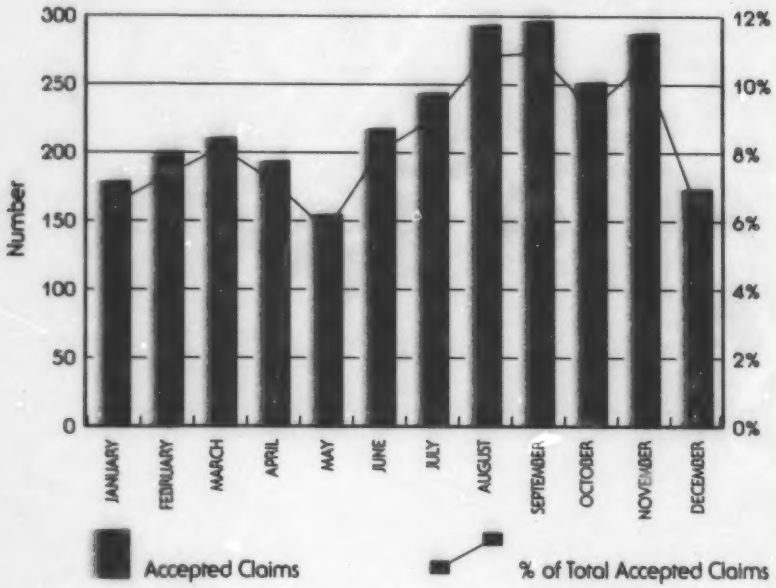
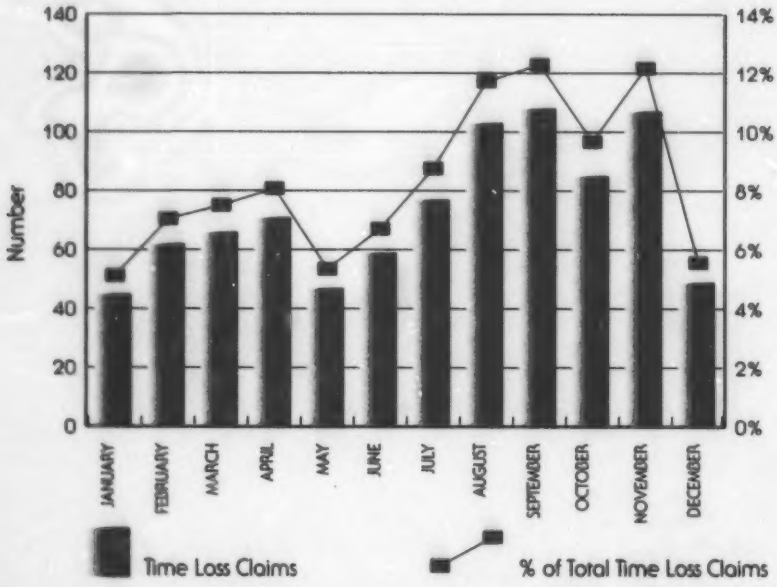


Figure 3: 1999 All Time Loss Claims by Month



Summary

Table 1: 1999 Time Loss Claims by Industry Class

The ten most frequent occurrences in each of the statistical measures are listed in descending order. The three most frequent occurrences within each industry class are al

	Total ***		Construction		Mining		
Industry Totals	**877**		**281**		**44**		
Nature of Injury	Number	% of Total	Number	% of Total	Number	% of Total	Nu
Injury to muscles, joints, etc.	266	30%	83	30%	13	30%	
Surface wounds and bruises	152	17%	62	22%			
Back pain (general)	114	13%			7	16%	
Cuts	92	10%	33	12%			
Injury to bones, nerves, spinal cord	76	9%					3
Pain except back	35	4%					
Punctures except bites	28	3%					
Burns	23	3%					
Crushing	13	1%					
Multiple traumatic injuries and disorders	12	1%					
Part of Body							
Back including spine, spinal cord	233	27%	63	22%	10	23%	2
Finger(s), fingernail(s)	102	12%	40	14%			
Leg(s)	76	9%	28	10%	6	14%	2
Ankle(s)	52	6%					
Eye(s)	51	6%					2
Shoulder	49	6%					
Arm(s)	42	5%					
Hand(s), except finger(s)	38	4%					
Wrist(s)	31	4%					
Foot (feet) except toes	31	4%					
Source of Injury							
Injured or ill worker	143	16%	41	15%	11	25%	
Floors, walkways, ground surfaces	129	15%	49	17%			
Containers - nonpressurized	88	10%			6	14%	
Building materials - solid elements	65	7%	44	16%			
Handtools	57	6%			4	9%	3
Chips, scrap, waste, debris	32	4%					
Person other than injured worker	26	3%					
Motorized highway vehicle	25	3%					
Nails	18	2%					
Vehicle and mobile equipment parts	16	2%					
Event (Type of Accident)							
Overexertion	194	22%	43	15%	12	27%	3
Struck by object	147	17%	60	21%	3	7%	
Bodily reaction	112	13%	32	11%	10	23%	
Fall to lower level	69	8%					
Fall on same level	69	8%					
Struck against object	64	7%					
Caught in or compressed by equipment	37	4%			3	7%	
Rubbed / abraded by friction / pressure	35	4%					
Repetitive motion	24	3%					
Contact with extreme temperatures	15	2%					

*** The total does not include claims that are not charged to an individual industry class.

hown.

l & Gas		Public Admin.		Renew. Res.		Service		Trade & Rel.		Transport & Util.	
10		151		12		149		98		132	
r	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
		53	35%	4	33%	47	32%	26	27%	39	30%
								20	20%	29	22%
		24	16%			22	15%	18	18%	16	12%
		18	12%			20	13%				
	30%			3	25%						
	20%	45	30%	3	25%	47	32%	30	31%	33	25%
		17	11%	3	25%	18	12%	9	9%		
	20%	13	9%								
										12	9%
	20%									12	9%
				3	25%			8	8%		
						13	9%				
								8	8%		
		23	15%			30	20%	14	14%	23	17%
		19	13%	3	25%	22	15%	14	14%	21	16%
		14	9%	4	33%			17	17%	18	14%
	30%	14	9%								
						20	13%				
	30%	36	24%	2	17%	38	26%	27	28%	33	25%
		22	15%	2	17%	24	16%	18	18%	17	13%
		19	13%			22	15%	11	11%	17	13%
				3	25%						

Summary

Figure 4: 1999 Time Loss Claims by Part of Body Injured

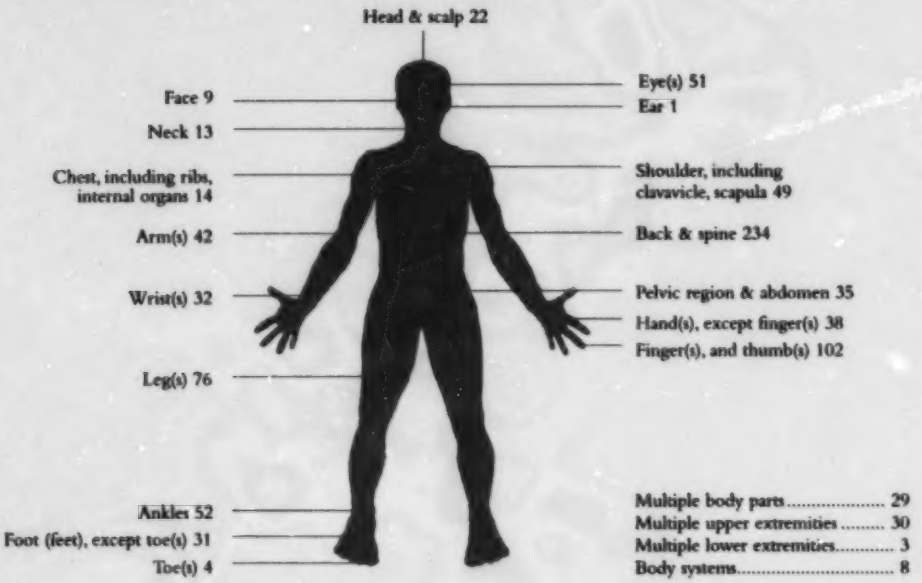
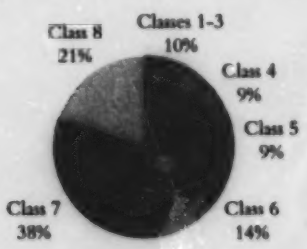
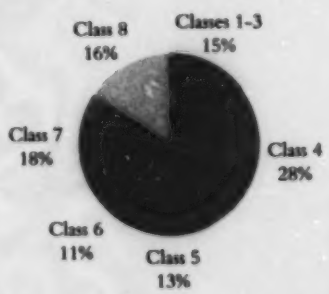


Figure 5: Distribution of Workers and Occupational Injuries by Sector of Economic Activity, 1999

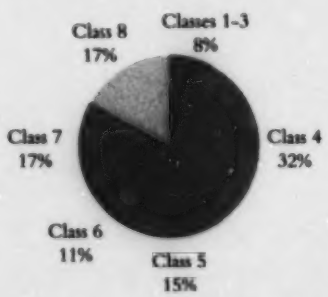
1999 Part 1: % Employed*



1999 Part 2: % Accepted Claims



1999 Part 3: % Time Loss Claims**



Classes 1-3: Goods producers (includes mining, quarrying, oil wells, manufacturing); excluding construction
Class 4: Construction
Class 5: Transportation, communication and utilities
Class 6: Trade and related services
Class 7: Services not elsewhere classified
Class 8: Public administration and defence

* From T-Stat, Bureau of Statistics web site # workers as at December 1999

** The total does not include claims that are not charged to an individual industry class

Summary

Figure 6: 1999 All Accepted Claims by Sex and Age

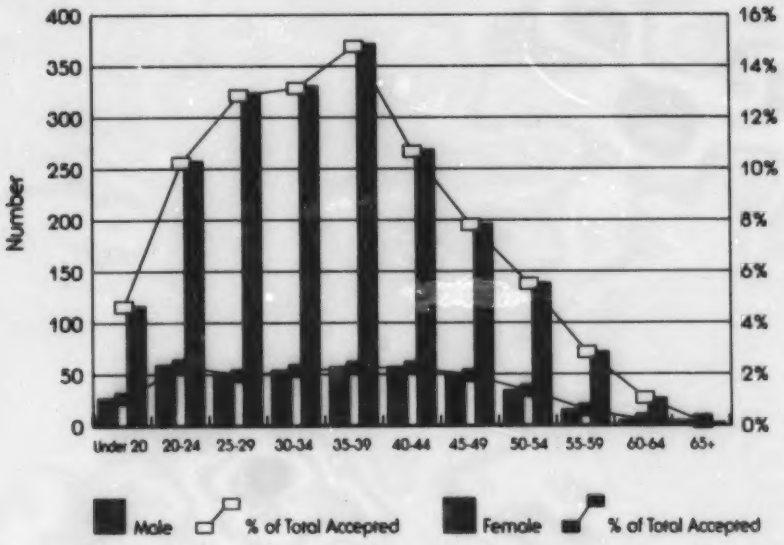
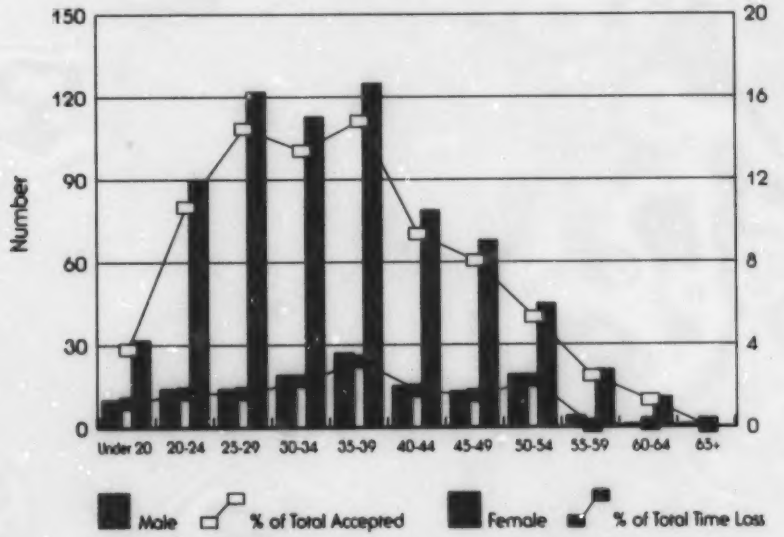


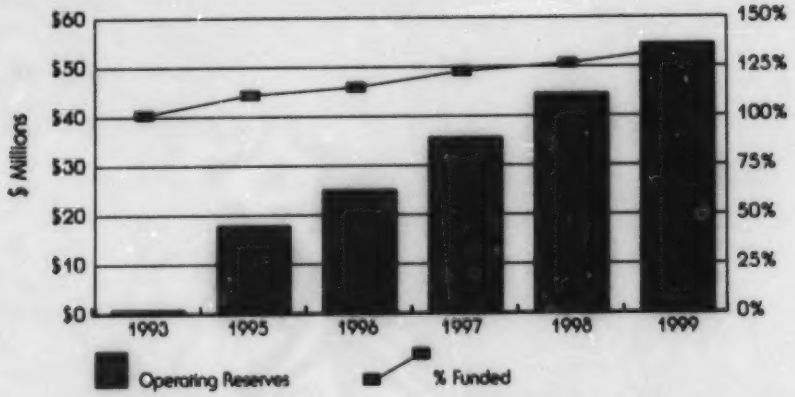
Figure 7: 1999 All Time Loss Claims by Sex and Age



The totals do not include claims where the age or sex of the claimant was omitted.

Summary

Figure 8: 1999 Funded Position



When the assets held by the WCB are sufficient to cover liabilities, the Board is said to be in a fully-funded position. In 1999, the WCB was 133% funded at year end, with an Operating Reserve of $54.7 million.

Figure 9: 1999 Funding the System

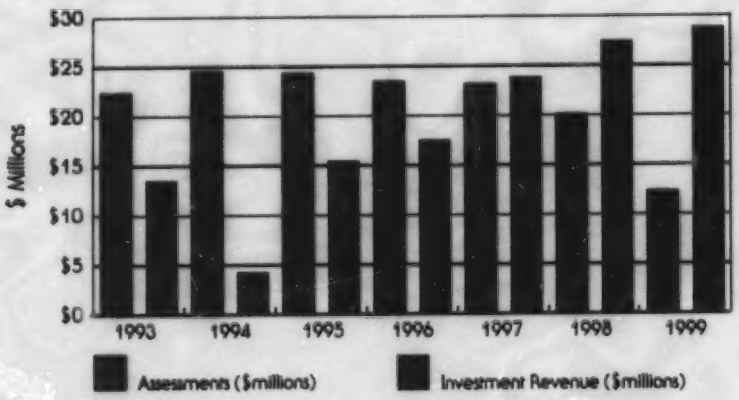
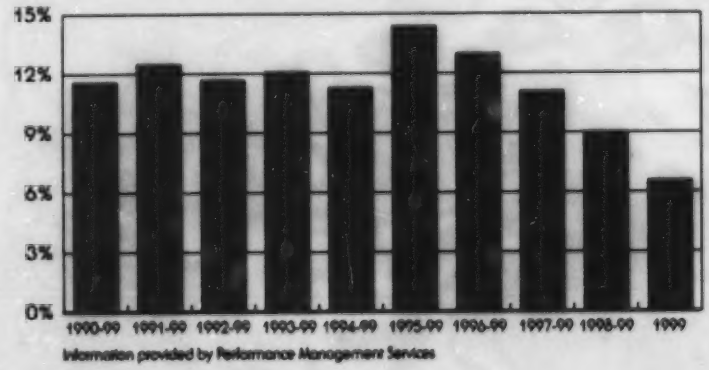


Figure 10: 1999 Investment Portfolio (annualized market rate of return)



Information provided by Performance Management Services

Summary

Figure 11: Portfolio Allocation by Asset Type

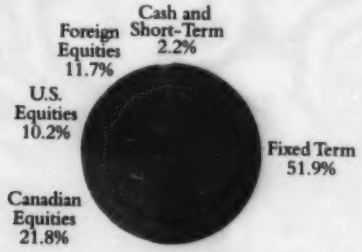
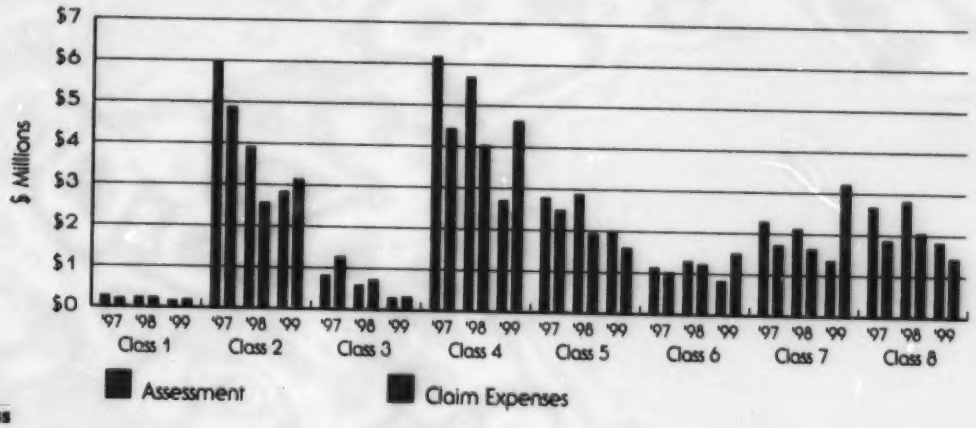


Figure 12: 1997-99 Comparison of Assessments and Claim Expenses by Industry Class



Class

1. Renewable Resources
2. Mining
3. Oil & Gas
4. Construction
5. Transport., Commun. & Utilities
6. Trade & Related Services n.e.c.
7. Services n.e.c
8. Public Administration & Defence

Note: Claim expenses are the total of the costs for the year of accident and all estimated future liabilities. They do not include administrative expenses.

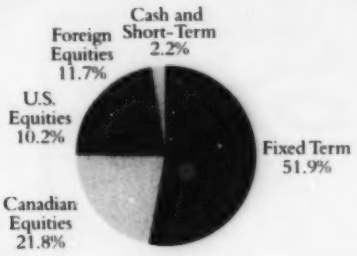
Table 2: 1999 Industrial Safety Activity Report

Type of Activity	Number: Nunavut	NWT	Total
Inspections	439	575	1014
Orders written	1006	1090	2096
Order completed	644	885	1529
Notice of danger/stop work orders	1	4	5
Accidents reported	9	19	28
Accidents investigated *	9	19	28
Refusal to work	0	0	0

*as per Employers' Reports of Accident

Summary

Figure 11: Portfolio Allocation by Asset Type



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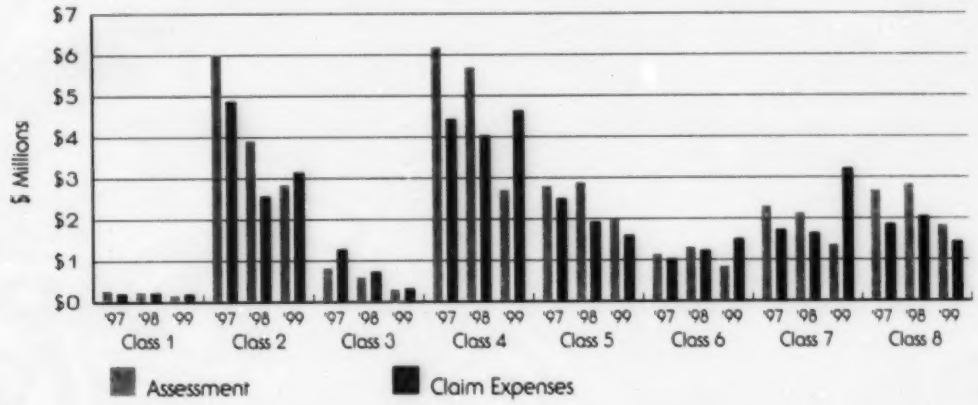

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*as per Employers' Reports of Accident

Summary

Table 3: 1999 Mining and Industrial Inspections by Region/City

Territory	Region/City	Mining	Industrial	Total
NWT				
	Yellowknife	150	227	377
	Fort Smith	78	146	224
	Inuvik	0	148	148
NWT Total:		**228**	**521**	**749**
Nunavut				
	Baffin	16	327	343
	Keewatin	6	155	161
	Kitikmeot	28	11	39
Nunavut Total:		**50**	**493**	**543**
Grand Total:		**278**	**1014**	**1292**

Table 4: 1999 Mining Incident/Accident Investigations

Mine	Frequency of Time Loss Accidents*	Severity **
Con	3.2	22.1
Giant	13.6	211.8
Lupin	1.7	11.7
Nanisivik	1.4	18.6
Polaris	3.3	80.8
BHP - Ekati	0.05	9.5

* "Frequency of Time Loss Accidents" is defined as the number of time loss accidents per 200,000 person-hours.

** "Severity" is defined as the number of lost days per 200,000 person hours.

Table 5: Safety Education Workshops by Region/City

Territory	Region/City	1997	1998	1999
NWT				
	Yellowknife	36	38	39
	Fort Smith	44	44	45
	Inuvik	11	9	8
NWT Total:		**91**	**91**	**92**
Nunavut				
	Baffin	7	10	16
	Keewatin	6	5	19
	Kitikmeot	0	4	2
Nunavut Total:		**13**	**19**	**37**
Grand Total:		**104**	**110**	**129**

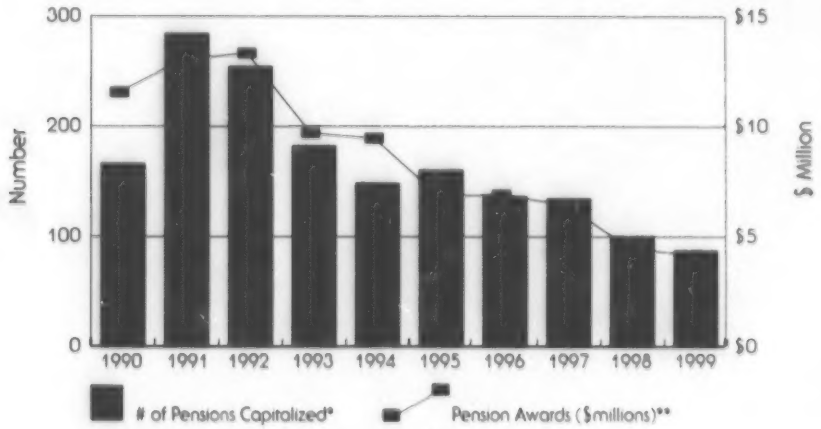
Summary

Table 6: Safety Education Workshops: Number of Courses Taught and Number of Participants

	1997		1998		1999			
					NWT		Nunavut	
	# Courses	Participants	# Courses	Participants	# Courses	Participants	# Courses	Participants
Artists & Carvers	1	11	-	-	0	0	1	3
Asbestos Abatement Program *					1	8	0	0
Claims Management / SIRR Program	5	24	7	44	4	31	8	55
Ergonomics	3	18	2	25	6	52	3	41
Incident & Accident Investigation	13	138	11	109	13	103	2	28
Managing Safety *					1	20	0	0
Mine Rescue Refresher *					1	16	0	0
Occupational Health & Safety	13	117	12	110	7	67	3	28
Safety Awareness	18	217	23	246	14	129	6	90
Safety Management	12	96	12	130	11	87	5	46
WHMIS	25	323	34	412	30	336	6	107
WHMIS Instructor	14	132	9	92	4	32	3	13
Total	**104**	**1076**	**110**	**1168**	**92**	**881**	**37**	**411**

* New for 1999

Figure 13: Pension Capitalizations



Summary

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Nunavut				
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Lupin		
Nanisivik		
Polaris		
BHP - Ekati		

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Nunavut Total:		**13**	**19**	**37**
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Summary

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					NWT		Nunavut	
	# Courses	Participants	# Courses	Participants	# Courses	Participants	# Courses	Participants
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Asbestos Abatement Program *								
Claims Management / SIRR Program	5	24	7	44				
Ergonomics	3	18	2	25				
Incident & Accident Investigation	13	138	11	109				
Managing Safety *								
Mine Rescue Refresher *								
Occupational Health & Safety	13	117	12	110				
Safety Awareness	18	217	23	246				
Safety Management	12	96	12	130				
WHMIS	25	323	34	412				
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Total	**104**	**1076**	**110**	**1168**	**92**	**881**	**37**	**411**

* New for 1999

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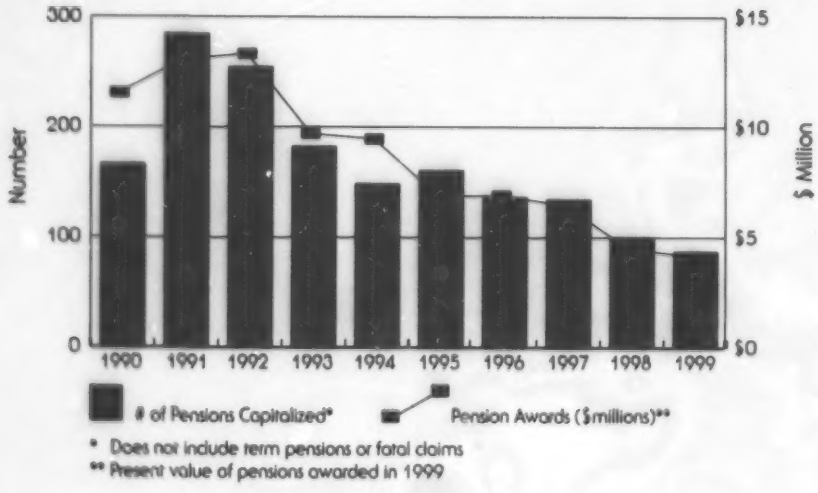
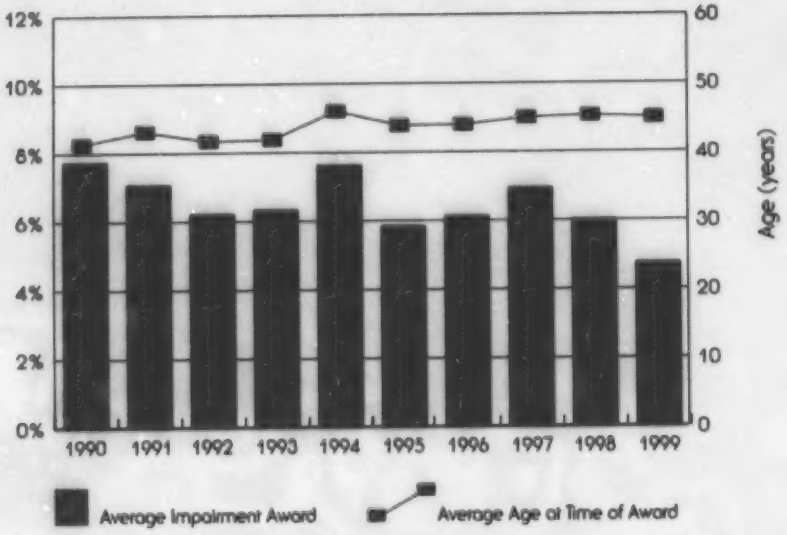


* Does not include term pensions or fatal claims
** Present value of pensions awarded in 1999

Summary

Figure 14: Average Impairment Award



The Average Impairment Award represents the average percentage rating at which pension benefits are calculated.
It includes new awards for current and prior years' injuries and is based on the authorized capitalization.
Term pensions and fatal claims are not included.